

January 10, 2018

TO: Tukwila City Council

FROM: Steve Goldblatt
PMQA Consultant

RE: Public Safety Plan
January update

The Project Executive Team has had another productive month on all fronts. Timely due diligence, access, and property acquisitions are key to maintaining the Plan's momentum. Justice Center's program estimate and Fire Station 51's upcoming schematic design estimate will give the Council a clearer understanding of the Plan's significant budget stress.

FIRE STATIONS

Site acquisition

Depending on due diligence and a Phase 2 report, the Council should expect final pricing and closed transactions for Station 54's property in May.

Station 51 schematic design

Weinstein AU has completed Station 51's schematic design.

Stations' budget

With input from GC/CM Lydig Construction, Station 51's schematic design estimate will be the *first* "real" number that the Council sees in February. The program estimate for all three stations was \$8 million over budget. The project team is working on understanding Station 51's schematic design estimate and its implications on the other two station budgets, specifically adjusted to the final sites. The overage is expected to be higher than at program completion.

Sustainability features

The Council can expect to see a short list of sustainability options for Station 51 with their ROM (rough order of magnitude) budgets as schematic design alternates for GC/CM pricing. However, due to the budget stress, the probability of implementing these features is diminishing.

GC/CM pre-construction services

On 20 November, Council approved Lydig as GC/CM and its pre-construction services contract. Lydig's first task is to develop a Station 51 schematic design estimate.

Equity/diversity and local participation

Based on continuing discussions in Public Safety, the City is considering piloting a program similar to the City of Seattle's: formalized in a Project Labor Agreement (PLA) and/or Community Workforce Agreement (CWA). The Council needs to weigh the cost and efficacy of a formal PLA/CWA approach in light of the City's new equity policy, your apprenticeship requirements (Resolution 1814), and the stations' budget stress.

Lydig has a very good track record on GC/CM projects with disadvantaged business enterprise and apprenticeship utilization. See the minutes (attached) of a meeting of Public Safety 18 December discussing alternate approaches with staff, Lydig, and me.

JUSTICE CENTER

Property acquisition

Depending on due diligence and site access, the Council should expect final pricing and closed transactions for the Justice Center's properties in March or April.

Program estimate

SOJ and DLR presented the Justice Center's program estimate to the Council 2 January. This estimate is more uncertain than Fire Station 51's 2040 programming estimate due to unknown site development costs. The program estimate is roughly \$38 million over the budget developed for the Plan's bond measure, and revenue strategies will be explored to address the shortfall.

Schematic design

DLR completed Justice Center programming and—with the Council's 2 January consensus to move forward—has begun schematic design. Schematic design will be completed in April, including an updated cost estimate with GC/CM input and results of site investigation, and will be presented to the Council in April or May.

GC/CM authorization and selection

The Justice Center's GC/CM application was unanimously approved 30 November by a panel of the State's Project Review Committee. The GC/CM solicitation and selection process began in December. A Request for Proposals was advertised 11 December, a pre-proposal meeting was held 20 December at City Hall, proposals are due 17 January, interviews of firms will be held 31 January, and final proposals are due 2 February for selection of the highest-scoring firm that day. Public Safety and Council should expect a recommendation in February or March.

CONSOLIDATED SHOPS

Property acquisition

Depending on due diligence and site access, the Council should expect final pricing and closed transactions for the Shop's properties in March or April.

PROPERTY ACQUISITIONS

Due diligence

On 20 November, Council approved contracts to conduct surveys, environmental reviews, and geotechnical analyses to prepare for property acquisitions. That work is underway.

OTHER RESOURCES

Professional services

The Project Executive Team is working through procurement of additional consultant resources for the Fire Stations and Justice Center; e.g., envelope consultant, archeologist, testing, and inspections. The Council can expect to see contracts for these services sometime in the first quarter.

PROGRAM SCHEDULE

Tight schedule

The overall schedule remains very ambitious. With so many activities under way, there is little room for any missteps to meet the Plan's milestones.

PROGRAM BUDGET


Program contingency


Without a budgeted program contingency, there will be pressure on all program elements' budgets for the life of the Plan. At its 3 October meeting, the Finance Committee began discussing with staff how to approach the Plan's significant financial gap. The Committee directed staff to look at all options in conjunction with the development of the 2019-2020 biennial budget.


Market conditions


Like the Fire Stations, the Justice Center and Consolidated Shops budgets will need to be sensitive to tight construction market conditions and increasing property values. These external budget pressures will manifest themselves as property is procured and project estimates are refined.

LEGEND

 **Meeting target**
Proceeding as planned.

 **Caution advised**
Steps needed to meet target.

 **Correction needed**
Steps needed to attempt recovery.

 **Not meeting target**
No recovery plan in place.